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CHARLES ELMORE CROPLEY
CLERK

IN THE

Supreme Court of the United States,

OCTOBER TERM, 1934.

NOS. 255 AND 256.

ALTOONA PUBLIX THEATRES INC.,

Petitioner,

AND

WILMER & VINCENT CORPORATION AND LOCUST STREET REAL ESTATE COMPANY,

Petitioners,

vs.

AMERICAN TRI-ERGON CORPORATION AND TRI-ERGON HOLDING, A. G.,

Respondents.

PETITION FOR REHEARING OF PETITIONS FOR WRITS OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE THIRD CIRCUIT.

CHARLES NEAVE,
THOMAS G. HAIGHT,
Counsel for Petitioners.

October, 1934.

The Evening Post Job Printing Office, Inc., 154 Fulton St., New York, N. Y.

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PETITION FOR REHEARING.

TO THE HONORABLE, THE CHIEF JUSTICE AND THE ASSOCIATE JUSTICES OF THE SUPREME COURT OF THE UNITED STATES:

On October 8, 1934, petitions for writs of certiorari were denied in the above entitled cases, decided by the Circuit Court of Appeals for the Third Circuit, Judges Buffington, Davis and Thompson sitting; Judge Buffington writing the opinion. These suits involve a patent for the use of fly-wheel combinations in motion picture recording and reproducing machines.

Although there is no conflict of decision between different Circuit Courts of Appeals as to the validity of this

patent (these being the only cases tried, and no others having been brought, outside the Third Circuit) we nevertheless feel that there are circumstances which should take these cases outside of the general rule requiring conflict of decision between Circuit Courts of Appeals as a prerequisite to the granting of a writ of certiorari. Some of these circumstances have occurred since the denial of the writ and some are inherent in the cases.

We, therefore, respectfully request that the Court's action in declining to grant a writ of certiorari be reconsidered. We direct the Court's attention to the following:

I.

We have filed a petition for rehearing in respondent's suit against the Paramount Publix Corporation (Case No. 254), which was decided by the Circuit Court of Appeals for the Second Circuit, involving another patent also relating to sound motion pictures. The factual situation here, while differing from that in the litigation in the Second Circuit, presents circumstances which, we believe, should lead the Court in this case, also, not to refuse the issue of a writ unless satisfied of the soundness of the conclusions reached by the courts below.

The respondents here have not instituted, since this Court denied the writ of certiorari, as many suits in the Third Circuit against motion picture producers as they have instituted on the patent sustained in the Second Circuit, but they are, as will be hereinafter shown, confining their litigation on this patent to the Third Circuit where the patent has been held valid and where respondents can reach not only the most prominent producers, but the largest suppliers of sound reproducing apparatus in the United States. With the two patents thus adjudicated as valid and not subjected to the hazard of a contrary adjudication in other Circuits, respondents seek to dominate the sound motion picture industry.

Before the petitions for writs of certiorari were denied in these cases other suits had been brought in the District of Delaware for infringement of this "flywheel" patent, one against *RCA Photophone, Inc.*, the other against *Electrical Research Products, Inc.* These are the two largest suppliers in the United States of sound reproducing apparatus. Together they had made over 9,000 installations of such apparatus in the United States up to the time of the trial in June, 1933 (Vol. II, pp. 847, 850).

Since the petitions for writs of certiorari were denied in these cases, the respondents have brought additional suits in the Third Circuit against the following, each of which is a major factor in the industry:

Warner Bros. Pictures, Inc.,
Loew's, Inc. and Metro Goldwyn Pictures Corporation.

Under the respondents' plan of action of confining its litigation on this patent to one circuit (in which the patent has been sustained in the present cases) there will be no opportunity to obtain a review by this Court by reason of a diversity of decisions, as there is in the usual course of patent litigation.

The present situation is an unusual one affecting a large industry and there should, we submit, be a review by this Court unless the Court is satisfied that the decision reached below is right.

II.

In each of the cases in which this present petition is entitled, the patent was held to cover certain combinations in motion picture sound reproducing apparatus.

All of the elements which enter into those combinations were old. The dominant element in such combinations is a flywheel for producing uniform movement. Flywheels are the oldest and most commonly employed expedients for that purpose. Their use in photographic sound apparatus combinations, to assure the uniform rate of movement of the film carrying the sound record, was definitely old, as in the Pedersen patent (Vol. V., p. 1347, ll. 29-32).

That one prior patent did not disclose *all* of the elements of all of the combinations of the claims; but all of the elements were old.

The question for decision is as to whether any new *combination* was produced, or whether the claims cover only unpatentable aggregations of old elements, each acting to produce its old and well known result.

We assert that no new combination was produced, under the rules established by the decisions of this Court. For instance, a "combination" of means for projecting the light, means for keeping the film non-curling and means for producing uniformity of movement of the film, is no "combination" at all; for not one of these means affects or depends upon any other of them but, on the contrary, each performs only its own independent and old function to produce its own independent and old result. It is only a mechanical juxtaposition and not a vital union. *Pickering* v. *McCullough*, 104 U. S. 310, 318.

Under the decision sought to be reviewed, respondents claim that substantially all of the motion picture industry employed combinations in violation of their rights both in the apparatus used in the taking of motion pictures in the studio and in the reproduction of the pictures in the theaters throughout the United States.*

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* Moreover, the respondents are seeking to extend the asserted monopoly of their patent which is for a *machine*, to cover and *control the unpatented product of the machine*, specifically asking, in the bills of complaint filed since the denial of the original petitions by this Court, for an injunction against leasing, distributing, etc. "*film sound records* produced in infringement of, or in the course of infringement or contributory infringement of, the aforesaid Letters Patent" which is for the machine, not the records "and any and all duplicates or sound records made therefrom" and asks that those already produced be delivered up "to the Court for destruction". Such an injunction would result in destroying the valuable libraries of films which each producer has made, at large expense, in the past.

The matter involved in these cases is, therefore, one of great and widespread interest and importance to the producers and exhibitors of sound motion pictures who have used a wide variety of sound apparatus during the seven years in which sound pictures have been made and commercially exhibited. It is also of wide importance to the *public,* upon whom any additional burdens of expense would, ultimately, fall.

We think that precedent for granting writs of certiorari under such circumstances is found in, among other cases, *General Elec. Co.* v. *DeForest Radio Co.,* 278 U. S. 656 and *American Fruit Growers, Inc.* v. *Brogdex Company,* 283 U. S. 1. In each of these cases there was no conflict between Circuit Courts of Appeals, but the patents were of great importance to the industries to which they related, respectively, and to the *public* at large. In the latter case there was no diversity of opinion among the judges of the Courts below.

Respectfully submitted,

CHARLES NEAVE
THOMAS G. HAIGHT
Of Counsel for Petitioners.

October, 1934.

I hereby certify that the foregoing petition is presented in good faith and not for delay.

CHARLES NEAVE

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PETITION OF RESPONDENTS FOR REHEARING.

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PETITION OF RESPONDENTS FOR REHEARING.

The above-named respondents present this their petition for a rehearing of the above-entitled cases, and respectfully urge that the petition be granted for the reasons hereinafter stated.

Grounds for Rehearing.

The grounds of this petition are:

(1) In holding claims 9 and 13 invalid because of improper disclaimer, this Court has approved authorities which in fact sustain the validity of disclaimers clearly embodying the condemned feature, and in distinguishing these authorities has misapprehended the nature of the claims in suit and the effect upon them of the disclaimer (Opinion, p. 10).

(2) The opinion broadly holds that the addition by disclaimer of a new element to a combination previously claimed invalidates the claim, while approving prior decisions sustaining disclaimers which had precisely that effect. Thus it will be impossible for the lower Courts to determine whether a disclaimer which adds a "new element" is valid or invalid (Opinion, p. 10).

(3) In holding the so-called flywheel claims invalid for lack of invention, this Court has in its opinion made important statements of fact against invention here, unsupported by, and in some instances contrary to, the evidence (Opinion, p. 9, infra).

These grounds appear from the opinion, from the authorities cited and approved in the opinion and from the record to which brief references only need be made.

I. Validity of Disclaimer As Applied to Claims 9 and 13.

In holding claims 9 and 13 invalid because of improper disclaimer (Opinion, p. 13) the Court predicated its conclusion upon the following, appearing on page 10 of the opinion:

> "While the effect of the disclaimer, if valid, was in one sense *to narrow the claims,* so as to cover the

> combinations originally appearing in claims 9 and 13 only when used in connection with a flywheel, it also operated to add the flywheel *as a new element* to each of the combinations described in the claims.'"*

Then, after quoting the disclaimer statute:

> "While this statute affords a wide scope for relinquishment by the patentee of part of the patent mistakenly claimed, where the effect is to restrict or curtail the monopoly of the patent, it does not permit the addition of a new element to the combination previously claimed, whereby the patent originally for one combination is transferred into a new and different one for the new combination."

In support of this statement of the law the Court, in a footnote to the opinion, on page 10, analyzed the cases sustaining the validity of disclaimers and stated:

> "The use of the disclaimer has been upheld where the elimination from the patent of the matter not relied upon did not operate to enlarge the monopoly of the patent, but narrowed it, * * * *by limiting the claim to a specific type of the general class to which it was applied,*"

In illustration of such valid disclaimers the Court cited: *Minerals Separation, Ltd.*, v. *Butte & Superior Mining Co.*, 250 U. S. 336, 354; *United Chromium, Inc.*, v. *International Silver Co.*, 60 F. (2d) 913, 914 (C. C. A. 2nd); *Seiberling* v. *Thropp's Sons Co.*, 284 Fed. 746, 756, 757 (C. C. A. 3rd).

Thus the Court recognized the validity of disclaimers in limitation of a claim to a species of a general class covered by the claim. *This is precisely the nature of the disclaimer in suit when applied to claims 9 and 13.*

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*Wherever italics appear in any quotation in this petition they do not appear in the original except as noted.